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9 and Cross-Defendant
CHURCH OF SCIENTOLOGY INTERNATIONAL
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF MARIN

13 CHURCH OF SCIENTOLOGY INTERNATIONAL,) Case No. 157 680
a California not-for-profit)
14 religious corporation,) [CONSOLIDATED]
)
15 Plaintiff,) DECLARATION OF ANDREW H.
) WILSON IN SUPPORT OF
16 v.) PLAINTIFF/CROSS-DEFENDANT'S
) RENEWAL MOTION FOR SUMMARY
17 GERALD ARMSTRONG, et al.,) JUDGMENT
)
18 Defendants.) Date: March 8, 1996
) Time: 9:00 a.m.
19) Dept: 1
)
20) Trial Date: Vacated
AND RELATED CROSS-ACTIONS)
21)

22 I, ANDREW H. WILSON, hereby declare:

23 1. I am an attorney duly licensed to practice law in the
24 State of California, and I am a member of Wilson, Ryan & Campilongo,
25 counsel of record in this action for Plaintiff/Cross-Defendant
26 Church of Scientology International ("Plaintiff" or the "Church").
27 I have personal knowledge of the facts set forth below and, if
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1 called upon to do so, I could and would competently testify thereto.

2 2. The original complaint in this action for breach of
3 contract (the "Breach Case") was filed in Marin County in February,
4 1992. Thereafter, at defendant/cross-complainant Gerald Armstrong's
5 ("Armstrong") request, the case was transferred to Los Angeles. A
6 second action for fraudulent conveyance (the "Fraudulent Conveyance
7 Case") was filed in Marin County in July, 1993, after Plaintiff
8 learned during discovery that Armstrong had transferred all of his
9 assets, including real property located in Marin County, shortly
10 before he began to repeatedly breach the Mutual Release of All
11 Claims and Settlement Agreement (the "Settlement Agreement") which
12 forms the basis of the Breach Case.

13 3. In September, 1994, the Breach Case was transferred back
14 to Marin County, and the two cases consolidated for trial. At the
15 time of the consolidation, the operative complaint in the Breach
16 Case was the Second Amended Complaint, which contained nineteen
17 causes of action for breach of contract, and a twentieth claim for
18 injunctive relief. In the Fraudulent Conveyance Case, the operating
19 pleading was the Verified Complaint, containing three causes of
20 action against three defendants.

21 4. In the Breach Case, Plaintiff was granted summary
22 adjudication of the fourth and sixth causes of action on January 27,
23 1995. Summary adjudication was also granted as to the thirteenth,
24 sixteenth, seventeenth and nineteenth causes of action on October
25 17, 1995. In addition, on October 17, 1995, the Court entered a
26 permanent injunction against Armstrong, granting summary
27 adjudication of the twentieth cause of action.

28 5. In the Fraudulent Conveyance Case, Armstrong filed a

1 single-count cross-complaint for abuse of process. That claim was
2 summarily adjudicated in the Church's favor on September 9, 1994.

3 6. In the Breach Case, Defendant Armstrong filed a Verified
4 Amended Cross-Complaint For Declaratory Relief, Abuse of Process and
5 Breach of Contract (the "Cross-Complaint"). On August 16, 1994, the
6 Los Angeles Superior Court granted the Church summary adjudication
7 of the second cause of action for abuse of process and of the third
8 cause of action for breach of contract. The sole remaining cause of
9 action seeks a declaration that paragraphs 4A, 4B, 7D, 7E, 7G, 7H,
10 7I, 10, 18D and 18E of the Settlement Agreement should be severed
11 and held not to be legally enforceable because "they were designed
12 to suppress evidence and obstruct justice." Paragraph 6 of the
13 Cross-Complaint (Exhibit A to Request for Judicial Notice).
14 Armstrong further alleges that:

15 [He] is being harmed by the settlement
16 agreement insofar as his First Amendment Rights
17 are curtailed, his ability to freely pursue
18 gainful employment is restricted, and his
19 reputation is being attacked in judicial
proceedings which he is unable to counter
without risking violation of the settlement
agreement.

20 7. On April 18, 1995, Armstrong filed a voluntary petition
21 for bankruptcy and proceedings in the consolidated cases were
22 automatically stayed. On May 25, 1995, the bankruptcy court granted
23 the Church's petition for relief from stay as to the Breach Case,
24 but the Fraudulent Conveyance Case remains stayed while the
25 bankruptcy is proceeding.

26 8. Laurie Bartilson, Esq. of Moxon and Bartilson, and I have
27 been the attorneys of record for Plaintiff in the Fraudulent
28 Conveyance Case and the Breach Case since their inception.

1 9. On October 26, 1995, the Church filed its motion for (i)
2 summary adjudication of the first cause of action of Armstrong's
3 Verified Amended Cross-Complaint; (ii) severance of the Fraudulent
4 Conveyance Case from the Breach Case; (iii) dismissal of
5 unadjudicated claims of Plaintiff of the Breach Case; and (iv) entry
6 of final judgment in the Breach Case (the "Prior Motion"). Summary
7 adjudication of the first cause of action of the Cross-Complaint was
8 brought on the ground that the only remaining cause of action of
9 Armstrong's Cross-Complaint seeks declaratory relief as to
10 provisions of the Settlement Agreement which the Court had already
11 enforced against Armstrong. Plaintiff argued that orders of this
12 Court granting summary judgment, including the order of permanent
13 injunction, are orders enforcing paragraphs 7D, 7E, 7G, 7H, 7I, 10,
14 18D and 18E of the Settlement Agreement, and declaring the rights
15 and obligations of Armstrong pursuant to the Settlement Agreement.

16 10. By minute order dated December 1, 1995, the Honorable Gary
17 W. Thomas denied Plaintiff's motion for summary adjudication of the
18 first cause of action of Armstrong's Verified Amended Cross-
19 Complaint but granted the Prior Motion in all other respects. As to
20 the first cause of action of the Cross-Complaint, the Court found
21 that Plaintiff had "failed to meet its burden of showing that the
22 Court has determined the enforceability of paragraphs 7I and 18E of
23 the Settlement Agreement." (See, Exhibit F to Request for Judicial
24 Notice). However, the Court also determined that by previous
25 summary adjudication orders that paragraphs 4A, 4B, 7D, 7E, 7G, 7H,
26 10 and 18D are enforceable and do not suppress evidence or obstruct
27 justice.

28 11. The present motion for summary judgment is brought on new

1 and different grounds than the Prior Motion. The new and different
2 facts and circumstances are paragraphs 7I and 18E of the Settlement
3 Agreement is not designed to suppress evidence and obstruct justice.
4 On its face, the language is not designed in any way to restrict
5 first amendment rights, it does not hinder Armstrong's ability to
6 seek employment since the confidentiality provision is specifically
7 limited to litigation between the parties and because neither party
8 is allowed to disclose the "confidential" information, it specially
9 protects Armstrong's reputation from attack in litigation between he
10 and the Church.

11 12. In the alternative, Plaintiff also brings this motion on
12 the new and different facts and circumstances that the Church has
13 never claimed breach of paragraphs 7I and 18E of the Settlement
14 Agreement. As such, the alleged controversy is not ripe and does
15 not present a justiciable controversy and accordingly should be
16 dismissed.

17 13. The only actions pending between the parties are the
18 Fraudulent Conveyance Case, the Breach Case, and the adversary
19 proceeding filed by the Church in the bankruptcy matter. In these
20 actions, Plaintiff has never sought to enforce paragraph 7I or
21 paragraph 18E of the Settlement Agreement nor has it claimed that
22 Armstrong breached those paragraphs. Presently, it is highly
23 unlikely that the Church will seek to enforce these provisions since

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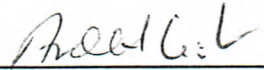
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1 paragraph 7I does nothing more than amplify the release and
2 confidentiality provisions of the Settlement Agreement and paragraph
3 18E is no more than a specification of the well-recognized implied
4 covenant of good faith and fair dealing contained in every contract.
5 For these reasons, not only is there not a justiciable controversy
6 at this time over these paragraphs, it appears there never will be.

7 14. The Prior Motion was not brought on the same grounds and
8 circumstances as this motion is brought due to my mistaken belief
9 that the Court had already determined the enforceability of the
10 paragraphs of the Settlement Agreement for which Armstrong seeks
11 declaratory relief.

12 I declare under penalty of perjury of the laws of the State of
13 California that the foregoing is true and correct. Executed at San
14 Francisco, California, this 18th day of January, 1996.

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ANDREW H. WILSON

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